

PUBLIC DISCLOSURE

SEPTEMBER 28, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

CENTURY BANK AND TRUST COMPANY

400 MYSTIC AVENUE
MEDFORD, MA 02155

DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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I. GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **CENTURY BANK AND TRUST COMPANY (or the "Bank")** prepared by the Division, the institution's supervisory agency, as of **SEPTEMBER 28, 2004**. The Division evaluates performance in the assessment area(s) as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

II. INSTITUTION RATING

a.) INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Bank's CRA performance is assigned a rating of "Satisfactory." Performance within the lending, investment, and service tests reflect positively on the Bank's commitment to community reinvestment and assessment area needs. The "Satisfactory" rating is based on the following information.

Lending Test:

Taking into consideration the Bank's size and lending capacity, as well as the significant level of competition, Century Bank and Trust Company's lending within the assessment area is considered good. In addition, further supporting the Bank's performance, is the positive trend in loan originations from 2002 to year-to-date 2004.

The geographic distribution of small business loans is quite good. The Bank exceeded the percentages of the other reporting financial institutions within its assessment area (aggregate) within the low-, moderate- and middle-income tracts and generally exceeded the percentage of businesses within the moderate-income areas.

A review of the residential loans revealed only adequate geographic performance. The bank did a good job of originating loans within the moderate-income tracts, generally exceeding the percentage of owner-occupied units and multifamily dwellings and compared favorably with the aggregate. However, lending within the low-income tracts was less than satisfactory, as the volume of loans within these areas was considered minimal.

A review of the Bank's small business loans and residential lending activity revealed that Century Bank and Trust Company is doing a good job of originating loans to

businesses of different sizes, as well as to low- and moderate-income borrowers. While the strength of this performance criterion exists within the small business portfolio, as the Bank exceeded the aggregate and has a high percentage of loans with amounts less than or equal to \$100,000, lending to low- and moderate-income applicants is considered adequate, as the Bank's performance was considered comparable to the aggregate.

The level of community development loans is considered very good. The Bank significantly improved upon its performance from the previous CRA evaluation.

Century Bank and Trust Company makes adequate use of innovative and flexible lending practices in serving the credit needs of the assessment area.

Investment Test:

Investment activity reflects an adequate level of qualified equity investments and grants. While it is acknowledged that the Bank has added a Fannie-Mae Mortgage-Backed Security to its existing qualified securities portfolio, the overall level of qualified investments has remained relatively constant since the previous evaluation. Further, as much of the Bank's investment activity consists of qualified donations and grants, the degree of innovativeness and level of complexity is considered minimal.

Service Test:

The Bank's retail and community development services are considered adequate. While the Bank's presence within the low- and moderate-income tracts has improved with the addition of the Albany Street, Federal Street, and Commonwealth Avenue locations in the City of Boston, the overall level of retail services offered by the institution has remained relatively constant. An analysis of the retail products, services, and hours of operation reveals that Century Bank and Trust Company is comparable to other similarly located and sized institutions. Further, the Bank's involvement, through its employees and management, in community development organizations is considered adequate.

b.) LENDING, INVESTMENT, AND SERVICE TEST TABLE:

The following table indicates the performance level of Century Bank and Trust Company, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS			
Bank Name			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Satisfactory		X	X
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

c.) DISCUSSION OF FINDINGS

DESCRIPTION OF INSTITUTION

Century Bank and Trust Company, headquartered in Medford, Massachusetts, is a \$1.6 billion community-focused, commercial bank. The Bank is a subsidiary of the Century Bancorp, Inc., a one-bank holding company. The Bank has one wholly-owned subsidiary, Century Financial Services, Inc.

In addition to its corporate headquarters in Medford, the Bank operates 21 other full service branches located throughout the Greater Boston area and Eastern Massachusetts. Since the previous evaluation, the Bank has opened four branches: 710 Albany Street, 518 Commonwealth Avenue, 771 Commonwealth Avenue, and 24 Federal Street, Boston, Massachusetts. Of the 22 branches, 3 are in low-income census tracts; 9 are in moderate-income census tracts; 6 are in middle-income census tracts; and 4 are in upper-income census tracts. The 12 branches in low- or moderate-income census tracts are located in the following cities and towns: Beverly (1), Boston (4), Everett (1), Lynn (1), Malden (1), Medford (1), Peabody (1), Salem (1), and Somerville (1).

As of June 30, 2004, the Bank had gross loans of \$547 million and total deposits of \$1.3 billion. The majority of the Bank's assets are in securities (\$887 million), which represents 56 percent of total assets, whereas gross loans represent 35 percent of total assets. With respect to the loan portfolio, commercial and commercial real estate loans comprise 56 percent of gross loans (\$304 million). The remaining loan portfolio consists primarily of residential real estate, including multifamily units, at 37 percent, and construction and land development, at 6 percent. As evidenced by the composition of the loan portfolio, Century Bank and Trust Company's primary business focus is the origination of commercial and commercial real estate loans.

The Bank's ability and capacity to support the current lending levels is reflected in its average net loan-to-deposit ratio. Since the previous Federal Deposit Insurance Corporation ("FDIC") evaluation, conducted on June 10, 2002, the average net loan to deposit ratio was calculated at 42 percent. As of June 30, 2004, this ratio stood at 42 percent. This ratio has decreased since the previous evaluation, when the Bank's loan to deposit ratio was approximately 50 percent.

There are no significant financial or legal impediments that limit the Bank's ability to help meet the credit needs of its community. However, the Bank does operate in an extremely competitive environment. In 2002, the most recent data available, more than 600 different lenders originated at least one residential mortgage within the Bank's assessment area.

Division last conducted a CRA Evaluation on June 10, 2002, at which time the Bank's performance was deemed to be "Satisfactory." The FDIC also conducted a CRA Evaluation on June 10, 2002, and assigned a "Satisfactory" rating.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires a bank to designate one or more assessment area(s) within which its record of helping to meet the needs of its community will be evaluated. Based on recommendations made at the previous CRA evaluation, Bank management now analyzes its assessment area on an annual basis and makes changes as applicable. While the Bank primarily designates as its assessment area all cities and towns in which the institution maintains a branch office, as well as cities and towns adjacent to those communities, the annual analysis also factors in both deposit and lending activity.

As of the current evaluation, Century Bank and Trust Company designated the following cities and towns as its assessment area.

Table A – Assessment Area			
City/Town	County	City/Town	County
Nahant	Essex	Medford	Middlesex
Swampscott	Essex	Malden	Middlesex
Marblehead	Essex	Everett	Middlesex
Salem	Essex	Somerville	Middlesex
Saugus	Essex	Cambridge	Middlesex
Lynn	Essex	Arlington	Middlesex
Lynnfield	Essex	Belmont	Middlesex
Peabody	Essex	Lexington	Middlesex
Danvers	Essex	Waltham*	Middlesex
Middleton	Essex	Watertown*	Middlesex
Beverly	Essex	Newton*	Middlesex
North Andover	Essex	Brookline	Norfolk
Andover	Essex	Milton	Norfolk
Tewksbury	Middlesex	Quincy	Norfolk
Billerica	Middlesex	Braintree	Norfolk
North Reading	Middlesex	Randolph	Norfolk
Wilmington	Middlesex	Weymouth	Norfolk
Burlington	Middlesex	Hingham	Plymouth
Woburn	Middlesex	Boston**	Suffolk
Reading	Middlesex	Chelsea	Suffolk
Wakefield	Middlesex	Revere	Suffolk
Melrose	Middlesex	Winthrop	Suffolk
Stoneham	Middlesex		
Winchester	Middlesex		

*Added to the Bank's assessment area in 2003

**The Bank does not have the entire City of Boston within its assessment area, but only select census tracts.

For analysis years 2002 and 2003, the various municipalities are located within either the Boston, MA-NH Primary Metropolitan Statistical Area ("PMSA"), the Lawrence, MA-NH PMSA, or the Lowell, MA-NH PMSA. However, each of these PMSAs is located within the Boston Consolidated Metropolitan Statistical Area ("CMSA"). As such, the evaluation will consider each PMSA collectively, rather than separately. However, please note that due to the 2000 U.S. Census, the 2004 Metropolitan Statistical Areas ("MSA"s) and PMSAs have changed. Beginning in 2004, the municipalities are now located in the Essex Metropolitan Division ("MD"), the Middlesex MD, the Norfolk MD, the Plymouth MD, and Suffolk MD.

In addition to the management alterations to the assessment area, the analysis period (2002, 2003, and year to date 2004) captures both the 1990 and 2000 U.S. Census data. Therefore, for purposes of analysis and assessment area descriptions, 2002 will reflect 1990 U.S. Census data, while 2003 and year to date 2004, will reflect the 2000 U.S. Census. However, as noted above, the 2004 analysis also captures the changes to the MSAs.

2002 Assessment Area – 1990 U.S. Census

The area is comprised of 412 census tracts, 34 low-, 110 moderate-, 185 middle-, and 78 upper-income, and 5 tracts in which income is not available (N/A). The five N/A census tracts represent tracts in which zero housing units and negligible population are reported. The total population of 854 individuals in these tracts is accounted for as follows: 253 in a nursing home located in Chelsea, 583 in military quarters in Boston, and 19 attributed to national park services in Boston. The remaining tract, in Danvers, reports zero population. Consequently, these tracts have no impact on the activity within the assessment area and the Bank's performance in these areas is not evaluated as part of the analyses. The total population of the assessment area is 1.9 million. This population total is comprised of 727,107 households, of which 37,628 (5 percent) are located within the low-income census tracts, and 174,348 (24 percent) are within the moderate-income tracts. Further, of the total households in the assessment area, 26 percent are estimated as low-income and almost 17 percent are estimated as moderate-income. The area also consists of 773,496 total housing units. Of this total, 370,590 (48 percent) are owner-occupied and 46 percent classified as rental units. A closer analysis of the total housing units reveals that the majority of the units (69 percent) are one-to-four family units; however, multifamily dwellings (5+ units) represent approximately 30 percent of the total units. With respect to the make up of the housing units in the low- and moderate-income census tracts, there are 43,138 (6 percent) and 189,675 (25 percent) units within the area's low- and moderate-income tracts, respectively. Within the low-income census tracts, 12 percent are owner occupied, while in the moderate-income census tracts, 29 percent are owner occupied.

2003 Assessment Area – 2000 U.S. Census

As expected, the demographics of the assessment area changed after the 2000 US census. Currently, the area is comprised of 453 census tracts, including 48 low-, 107 moderate-, 192 middle-, and 106 upper-income tracts. As noted, the most significant changes occurred within the low and upper-income areas, increasing by 14 and 28 tracts, respectively. The area population also increased since the 1990 census, and currently totals 2.1 million. This population total consists of 841,261 households, with 8 percent and 23 percent located within the low- and moderate-income census tracts, respectively. As noted, the percentage of households within low to moderate income areas increased slightly from 29 percent to 31 percent. Further analysis of the household data reveals that 223,587 (27 percent) are estimated as low-income and 136,217 (16 percent) are estimated as moderate-income. A comparison with the 1990 census revealed that, as a percentage, the total number of low- and moderate-income households remained relatively constant. The area also consists of 869,688 total housing units. Of this total, 50 percent are owner-occupied, and 46 percent classified as rental units. An analysis of the total housing units reaffirms that the majority of the

units are one-to-four family (71 percent) and multifamily dwellings (29 percent). With respect to the make up of the housing units in the low- and moderate-income census tracts, there are 71,439 (8 percent) and 202,622 (23 percent) units, respectively. Within the low-income census tracts, 18 percent are owner occupied, while in the moderate-income census tracts, 33 percent are owner occupied. Given this information, it appears that opportunities exist within the assessment area for the origination of loans on one-to-four family dwellings; however, the percentage of non-owner occupied units could present some barriers to the institution. Further, the Bank's ability to originate loans within the area's low- and moderate-income communities could be negatively impacted by the appreciating cost of housing.

2004 Assessment Area – 2000 U.S. Census

The addition of the Bank's Albany Street branch in July of 2004 prompted management to once again expand its assessment area. The additional tracts are all located in the City of Boston. In total, the assessment area contains 475 census tracts. Analysis of the new tracts revealed 8 low-, 10 moderate-, 3 middle, and 1 upper-income tracts.

Housing Prices

Home prices have continued to increase over the past few years, despite some slowdown in other parts of the economy. According to the 2000 U.S. Census, the median housing value in the assessment area was \$260,536. More recent data obtained from *the Warren Group* shows that median home value in 2003 was \$370,776. The values ranged from a high of \$588,500 in Lexington to a low of \$251,000 in Lynn. Table B contains the cities/towns that comprise the assessment area and the median sales prices. This table highlights the increasing trend in home values and provides some insight into the constraints facing a financial institution that desires to serve these communities. It should be noted that at these elevated values, it would be extremely difficult for a low- or moderate-income applicant to qualify for conventional financing.

Table B – Median Sales Price		
City/Town	2003	2002
Nahant	\$399,950	\$340,000
Swampscott	\$363,500	\$329,000
Marblehead	\$430,000	\$429,100
Salem	\$280,000	\$250,000
Saugus	\$304,900	\$285,000
Lynn	\$251,000	\$230,000
Lynnfield	\$443,500	\$400,000
Peabody	\$323,000	\$290,000
Danvers	\$320,000	\$275,450
Middleton	\$432,950	\$369,000
Beverly	\$316,000	\$299,900
Andover	\$434,000	\$409,900
North Andover	\$372,500	\$311,250
Tewksbury	\$287,500	\$260,000
Billerica	\$307,500	\$270,000
North Reading	\$389,900	\$310,000
Wilmington	\$347,500	\$305,000
Burlington	\$359,900	\$344,000
Woburn	\$319,000	\$290,000
Reading	\$365,000	\$340,000
Wakefield	\$352,450	\$320,000
Melrose	\$365,900	\$329,000
Stoneham	\$319,900	\$291,000
Winchester	\$585,000	\$517,000
Medford	\$345,000	\$305,000
Malden	\$311,500	\$264,450
Everett	\$329,900	\$280,000
Somerville	\$385,250	\$373,500
Cambridge	\$385,000	\$390,000
Arlington	\$395,475	\$381,000
Belmont	\$559,500	\$534,000
Lexington	\$588,500	\$529,900
Waltham	\$365,000	\$340,000
Watertown	\$363,750	\$338,900
Newton	\$575,000	\$529,900
Brookline	\$422,500	\$408,000
Milton	\$435,000	\$364,900
Quincy	\$307,750	\$274,000
Braintree	\$310,000	\$280,000
Randolph	\$265,000	\$230,500
Weymouth	\$268,000	\$239,450
Hingham	\$514,725	\$415,000
Boston	\$407,000	\$380,000
Chelsea	\$277,000	\$244,500
Revere	\$289,000	\$240,000
Winthrop	\$285,000	\$266,000
Median Sales Price	\$370,776	\$334,861

Source: Warren Group; Median sales price of one-family and condominium sales.

The table above illustrates the continuing rise in the median prices in the assessment area. The increase in the median prices significantly impacts the affordability of the housing stock in the assessment area; the more the prices appreciate the less likely low or moderate-income individuals or families are able to afford a home mortgage loan.

Income

1990 and 2000 U.S. census data reflects the Median Family Income (“MFI”) for the assessment area as \$48,485 and \$68,605, respectively. The Department of Housing and Urban Development (“HUD”) adjusts the MFI based on estimates. Table C reflects these HUD adjusted MFIs for 2002, and 2003.

Table C – Median Family Income Levels		
PMSA	2002	2003
Lowell, MA-NH (4560)	\$75,200	\$79,700
Boston, MA-NH (1120)	\$74,200	\$80,800
Lawrence, MA-NH (4160)	\$67,400	\$74,300

** This figure is based on estimates from the Department of Housing and Urban Development (HUD).*

Competition

As stated previously, Century Bank and Trust Company faces significant competition within its assessment area for both residential and small business loans.

Regarding small business loan competition, during 2002 (the most recent aggregate market data available) 165 financial institutions originated and purchased small business loans within the Bank’s assessment area. Competition not only includes several credit unions, co-operative banks, commercial banks, national banks, and savings banks, but also numerous larger regional and out-of-state banks and finance companies. The 2002 Lender Market Share report produced by CRA Wiz provides the Bank’s rank in the market and illustrates the type and level of competition. This report reflects that Century Bank and Trust Company ranked 30th out of 165 total small business reporters. The top five originators and purchasers in sequential order were: Capital One F.S.B; Citibank USA; American Express Centurion; MBNA America, NA; and GE Capital Financial, Inc. Together these five large, regional and national entities held 62 percent of the market share. This illustrates that the remaining 160 lenders in the market had a small piece of the market to compete over. State non-member and savings banks from eastern Massachusetts that outranked Century Bank and Trust Company included Citizens Bank of Massachusetts, Sovereign Bank, Eastern Bank, Middlesex Savings Bank, Rockland Trust Company, Enterprise Bank and Trust Company, Cambridge Trust Company, Danvers Savings Bank, Warren Five Cents Savings Bank, Boston Private Bank & Trust Company, and Salem Five Cents Savings Bank.

With respect to residential home mortgage loans, the 2002 aggregate data revealed that 654 lenders originated at least one loan within the assessment area. As with small business loans, competition not only includes credit unions, co-operative banks, commercial banks, national banks, and savings banks, but also numerous large regional and out of state banks, and mortgage companies. The report reflected that

Century Bank and Trust Company ranked 150th. The top five originators in sequential order were: Washington Mutual Bank, FA; Countrywide Home Loans; Fleet National Bank; GMAC Mortgage; and Wells Fargo Home Mortgage. With respect to state non-member and savings banks from eastern Massachusetts that outranked Century Bank and Trust Company, it was noted that the Bank was outranked by both smaller and larger asset-sized institutions.

Employment Information

Similar to the rest of the United States, the assessment area has been experiencing recent improvement in its overall economy. While the unemployment rates throughout the area increased from 2002 to 2003, the year to date 2004 unemployment rates have improved. The following table contains some of the more significant communities within the assessment area.

Table D – Unemployment Data			
	YTD 2004	2003	2002
United States	5.6	6.0	5.8
Massachusetts	5.3	5.8	5.3
Essex County	6.4	6.8	6.2
Salem, MA	6.0	6.2	5.4
Lynn, MA	6.9	7.6	6.3
Middlesex County	4.4	5.1	4.9
Stoneham, MA	4.8	5.0	4.8
Somerville, MA	4.1	4.8	4.5
Medford, MA	4.7	5.3	4.8
Malden, MA	5.5	6.2	5.3
Cambridge, MA	3.0	3.6	3.7
Norfolk County	4.4	4.8	4.4
Quincy, MA	5.4	6.0	5.2
Braintree, MA	5.3	5.4	4.5
Weymouth, MA	5.2	5.6	4.6
Plymouth County	5.6	5.6	4.9
Hingham, MA	3.5	3.8	3.6
Suffolk County	5.5	6.2	5.7
Boston, MA	5.4	6.0	5.7
Chelsea, MA	6.9	7.9	6.7
Revere, MA	6.2	7.2	6.0

Analysis of this data indicates a recent improvement in the assessment area's economy. However, despite this improvement, several municipalities have unemployment rates that exceed both the U.S. and State rates, including Salem, MA, Lynn, MA, Chelsea, MA, and Revere, MA.

Community Contact Information

Three community contacts were referenced during this evaluation. The contacts were located in different sections of the Bank's assessment area: Malden, Cambridge, and Quincy. Two of the three organizations provide affordable housing, while the third contact works almost exclusively with the area's homeless population. The contacts referenced a wide range of needs, including, general financial support (i.e., donations), and affordable loan programs aimed at the area's low and moderate-income

populations, financial literacy initiatives, and volunteers. While each of these contacts spoke highly of many of the local financial institutions in their respective areas, one contact specifically mentioned Century Bank and Trust Company for its involvement with the organization's First Time Homebuyer program.

III. CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

Scope of Evaluation

The Bank's performance at this Evaluation was evaluated using the Large Bank CRA Examination procedures. Loans reported pursuant to CRA (small business) and HMDA (home mortgage) were included in this review. Using the CRA small business register, originations for 2002, 2003, and year to date June 30, 2004, were analyzed. Using the HMDA data, originations for 2002 and 2003, and year to date July 31, 2004, were analyzed. Consumer loans were not reviewed, as this category does not constitute a substantial percentage of the Bank's lending activity. In addition, the Bank has not originated loans to small farms and does not originate home improvement loans. Consequently, any applicable tables (related to consumer, small farm, or home improvement loans) will not be included in this analysis. With respect to the Investment and Service Tests, the data analyzed is from 2002, 2003, and year to date July 31, 2004.

LENDING TEST

The Lending Test evaluates an institution's record of helping to meet the credit needs of its assessment area by considering the Bank's small business, home mortgage, and community development lending. An institution's lending performance is evaluated based on the following criteria:

- *The volume of lending activity;*
- *The proportion of lending in the assessment area;*
- *The dispersion of loans in low, moderate, middle, and upper-income geographies;*
- *The distribution of loans among businesses of different sizes and borrowers of low, moderate, middle, and upper-income levels;*
- *The volume and responsiveness of community development lending; and*
- *The use of innovative and flexible lending practices.*

As reflected in **Table 1a – Lending Volume** (in Appendix C), the Bank's primary lending focus is the origination of small business loans. As a result, the small business lending activity will receive the most consideration within this evaluation. All of the items above are based solely on the loans made inside the assessment area. Emphasis is placed on the number, rather than the dollar amount, of loans made because percentages can be skewed if an institution makes a large number of high dollar amount loans. In addition, performance under the Lending Test is weighed more heavily than the investment and service tests when determining the overall CRA rating.

The following sections summarize the data that was reviewed and the conclusions that were reached regarding the Bank's performance within each of the above criteria.

LENDING ACTIVITY

Century Bank and Company Trust's level of lending activity reflects a good responsiveness to the credit needs of its assessment areas.

As reflected in Table E below, a majority of small business loans, both in number and dollar volume, were extended to businesses within the assessment area. A similar analysis of the home mortgage loans also revealed that the Bank originated a majority of its home mortgage loans (by number and dollar amount) inside the assessment area. Combining small business and home mortgage results in 80 percent by number and 74 percent by dollar of total loans originated within the assessment area.

Table E – Distribution of Loans Inside and Outside of the Assessment Area										
Loan Category or Type	Number of Loans					Dollars in Loans (000s)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Small Business										
2002	126	76	40	24	166	23,996	74	8,554	26	32,550
2003	148	83	30	17	178	29,010	75	9,541	25	38,551
YTD 2004	269	88	35	12	304	28,466	82	6,146	18	34,612
Subtotal	543	84	105	16	648	81,472	77	24,241	23	105,713
Home Mortgage										
2002	116	78	32	22	148	32,633	79	8,485	21	41,118
2003	130	74	46	26	176	33,560	73	12,661	27	46,221
YTD 2004	100	71	41	29	141	26,083	64	14,417	36	40,500
Subtotal	346	74	119	26	465	92,276	72	35,563	28	127,839
Total	889	80	224	20	1,113	173,748	74	59,804	26	233,552

Source: HMDA LAR (2002 and 2002), YTD HMDA LAR (7-31-04) and CRA data collection (2002 and 2003) and YTD CRA data (6-30-04)

As reflected in the table above, the Bank experienced an increase in loan volume within 2002 and 2003 for both HMDA and small business activity. In addition, the year to date data indicates that 2004 lending will exceed the 2003 loan volume. The Bank credits this positive trend and recent improvement to the both the interest rate environment, and to two loan programs Bank management has aggressively pursued. First, the Bank modified its FTHP, waiving all closing costs. This change, combined with an aggressive marketing campaign, resulted in a significant increase in activity. Second, the Bank also introduced a streamlined small business loan program, where loan requests of \$50,000 or less receive expedited underwriting and decision making. Please refer to the Innovative and Flexible Lending portion of this evaluation for additional information on both programs.

As discussed previously, the Bank faces significant competition within its assessment area for both small business loans and home mortgages. As noted, in 2002 approximately 160 different financial entities originated at least one small business loan in the area. Further, in excess of 650 financial entities originated at least one HMDA

loan in the area. In each instance, Century Bank and Trust Company's origination activity placed the Bank amongst the top 25 percent, with market ranks of 30th and 150th, respectively.

Based on the number of loans originated, the positive trend in loan originations, and the level of competition within the assessment area (i.e., market rank), the Bank's overall performance is considered good.

GEOGRAPHIC DISTRIBUTION

The Bank's lending distribution is analyzed to determine the dispersion of loans among the geographies that comprise the Bank's assessment area. The most weight within this criterion is placed on the Bank's lending within low- and moderate-income census tracts.

The distribution of the Bank's small business loans is quite good and reflects a good penetration within the low and moderate-income census tracts. However, the HMDA performance is mixed, with the Bank performing quite well within moderate-income areas, and achieving less than satisfactory results within the low-income tracts. Given the distribution of the Bank's small business loans and HMDA loans within the moderate-income tracts, the overall performance within this performance criterion is considered good.

Small Business Lending

A distribution analysis of the bank's 2002, 2003, and year to date 2004 small business loans was conducted to determine if the needs of small businesses located in the low- and moderate-income tracts of the assessment areas are being addressed. **Tables 6 and 6a** (in Appendix F) illustrate the Bank's distribution of small business loans within the assessment areas by census tract category for 2002 and 2003, respectively. For comparison purposes, the tables also include the percent of businesses by geography. Further, the table also includes the aggregate market's performance (as a percentage) in these areas. Please note that the aggregate percentages are based on the performance at the county level, not by the Bank's assessment area, and is only available for 2002.

In comparison to the percentage of businesses within each census tract category, Century Bank and Trust Company exceeded the percentage of businesses within the moderate- and middle-income tracts. The performance within the moderate-income areas was particularly impressive as the Bank's percentages at approximately 28 percent and 21 percent, respectively, surpassed the percentage of businesses at 17 percent and 16 percent. While the Bank's performance within the low-income tracts fell short of the percentage of businesses, the differences were generally minimal, and in the case of 2003, almost identical to the businesses in the area.

A comparison of the Bank's performance with the aggregate market revealed additional success. Within the low, moderate, and middle-income tracts, Century Bank and Trust Company exceeded the aggregate performance. This performance reflects positively on the Bank's efforts.

A review of the Bank's year to date 2004 small business lending revealed that approximately 46 percent of the 269 loans within the assessment area were originated within low-and moderate-income tracts. This is considered good in light of the fact that 27 percent of the area's businesses reside in these low to moderate income area. While the Bank's percentage of loans within the area's low-income tracts is only 5 percent, the Bank's performance within the area's moderate-income tracts is quite good, as 41 percent of the Bank's loans were in these geographies. In comparison to the percentage of businesses in these moderate-income areas (16 percent), Century Bank and Trust Company's performance is noteworthy.

HMDA Lending

The Bank's 2002, 2003 and year to date 2004 HMDA-reportable loans were also reviewed to determine the extent that the low- and moderate-income census tracts are being served. **Tables 2, 2a, 4, 4a, 5, and 5a** (in Appendix F) separately illustrate the Bank's performance within the four residential portfolios (home purchase, refinance, and multifamily). Note that the Bank does not originate home improvement loans, and as a result, **Tables 3** was excluded. For comparison purposes, the tables also include the percent of owner-occupied units within each census tract category, as well as the percentage of multifamily units (**Tables 5**). Further, the tables also include the aggregate market's performance (as a percentage) in these areas. As stated previously, the aggregate data is only available for 2002.

As noted in the respective tables, the Bank's performance within the low-income tracts has been less than adequate. A review of the 2002 HMDA data revealed no activity in the home purchase and refinance portfolios, and only one loan in the multifamily. As expected this performance was well below the percentage of owner-occupied units, the percentage of multifamily units, and the aggregate percentages. Despite the performance within the low-income tracts the Bank achieved much better success within the area's moderate-income areas. With the exception of the 2003 home purchase portfolio, the Bank's 2002 and 2003 percentages exceeded the percentage of owner-occupied units and multifamily units. Further the Bank compared favorably with the aggregate data, exceeding the aggregate percentage in both the refinance and multifamily portfolios. It should be noted that although the Bank's percentage within the home purchase portfolio (17 percent) was less than the aggregate (21 percent), this is still deemed acceptable.

A review of the year to date 2004 HMDA data revealed similar results. Again, the Bank continues to have difficulty in originating loans within the area's low-income tracts, with only one loan. However, the data also revealed that 40 percent of the loans have been made within the moderate-income tracts. With 15 percent of the assessment area's owner-occupied units and 29 percent of the area's multifamily units being situated in the moderate-income geographies, the Bank's ability to originate 40 percent of its loans in these tracts is good.

As noted the Bank's performance within the low-income tracts is less than satisfactory; however, the following information must be considered in evaluating the Bank's overall performance:

- A review of the 1990 and 2000 U.S. census data revealed that approximately 76 percent of the housing units within the low-income tracts are rented, while approximately 63 percent of the units within the moderate-income tracts are rented. At these elevated levels, the ability to originate a high number of loans, especially within low-income tracts is limited.
- A review of the Bank's 2002 and 2003 HMDA data revealed that the Bank received a total of 11 applications from within low-income tracts. An analysis of the data revealed that 8 of the 11 applications (73 percent) were originated, with only two instances of denial. This data highlights the Bank's willingness to originate loans in the area's low-income geographies.

While it is acknowledged that these factors do provide some mitigating support for the Bank's HMDA performance within the low-income tracts, the lack of activity must still be addressed. Therefore, the Bank's HMDA performance is considered adequate.

BORROWER CHARACTERISTICS

This performance criterion analyzes lending to businesses of different sizes and to borrowers of different income levels. The distribution of the Bank's small business and HMDA loans reflects a good penetration among business customers of different sizes and residential borrowers of different income levels.

Small Business Lending

An analysis of the Bank's small business loans within the assessment area is captured within **Tables 11 and 11a** (in Appendix F). The tables illustrate the Bank's distribution of loans within the assessment area among businesses of different revenue sizes, as well as the distribution of loans by size. The tables reflect the Bank's performance within 2002 and 2003, respectively. As noted, approximately 64 percent of the Bank's small business loans in 2002 were to businesses with gross annual revenues of less than or equal to \$1 million. This performance is considered good in light of the fact that approximately 60 percent of the businesses within the assessment area have gross revenues of \$1 million or less. Analysis of the 2003 performance revealed a slight decrease in the Bank's performance, at 54 percent. While the Bank's performance is less than the percentage of small businesses in the assessment area (62 percent), the overall performance is considered good. Further supporting the Bank's overall performance is the comparison to the 2002 aggregate data. As reflected in **Table 11**, only 27 percent of the aggregate's small business loans were made to businesses with gross annual revenues less than or equal to \$1 million. Therefore, in comparison to the Bank's percentage, 64 percent, the overall performance is good.

In a further effort to gauge Century Bank and Trust Company's record of originating small business loans, an analysis of the Bank's origination activity (by loan size) was also performed. As noted above, **Tables 11 and 11a** breakout the origination activity by loan size. This analysis serves as a proxy for the size of the businesses being financed, as smaller dollar amounts typically correlate to smaller sized businesses. As noted, more than half of the small business loans were in amounts of \$100,000 or less.

Further analysis reveals that approximately 74 percent were in amounts of \$250,000 or less. These figures suggest that Century Bank and Trust Company is penetrating small and medium sized businesses.

A review of the year to date 2004 business lending activity revealed that 33 percent of the loans originated in the assessment area were made to small businesses (i.e., those with gross annual revenues less than or equal to \$1 million), and 19 percent were made to businesses with gross annual revenues exceeding \$1 million. While the 33 percent is significantly lower than the 2002 and 2003 performances, at 64 percent and 54 percent, respectively, it must be noted that the Bank introduced its streamlined small business program in 2004. The program allows the Bank to originate loans (\$50,000 or less) without verifying the company's income. The effect of this decision is that many of the loans are being reported as "unknown". In fact, a review of the year to date data revealed that of the 269 loans in the assessment area, 128 are in this "unknown" category. In addition to the size of the businesses, the size of the loans, were also analyzed. Again, this serves as a proxy to the businesses being served by the Bank. To date, 210 of the 269 loans, or 78 percent, were originated in amounts of \$100,000 or less. This year to date performance, combined with the 2002 and 2003 results is considered favorable for the Bank's overall performance within this performance criterion.

HMDA Loans

Borrower incomes are compared to the HUD's adjusted median family income figures for the year in which the loan is granted. As explained in the *Description of Assessment Areas* section of this Evaluation, low, moderate, middle, and upper-income categories are based on designated percentages of each PMSAs adjusted median family income.

Tables 8, 8a, 10 and 10a (in Appendix F) reflect the Bank's origination percentages to low-, moderate-, middle-, and upper-income applicants. The aforementioned tables are separated by loan portfolio type (home purchase and refinance). These tables also include the percentage of family households (by income category) and the aggregate market performance for comparison purposes (2002 only). Please note that the Bank did not originate any home improvement loans, as a result **Tables 9** are excluded.

A review of 2002 and 2003 HMDA activity revealed that the Bank's percentages to low-income applicants were significantly less than the percentage of low-income families. However, the Bank's percentages to moderate-income borrowers was better, with Century Bank and Trust Company either exceeding the percentage of moderate-income families (2003 home purchase) or having percentages that were comparable. A comparison of the Bank's performance, with that of the 2002 aggregate, revealed an adequate performance. While the Bank exceeded the aggregate to low-income borrowers within its home purchase portfolio, the remainder of the comparison revealed that the Bank's percentages to low and moderate income borrowers were less than the aggregate, but once again comparable.

Analysis of the year to date 2004 HMDA data revealed that Century Bank and Trust Company has originated approximately 7 percent and 25 percent of its year to date loans to low and moderate-income borrowers, respectively. Although a partial year's

worth of information, the percentage of loans to both income categories is currently on pace to exceed the 2003 performance.

Further supporting the Bank's lending activity to low and moderate-income applicants are the following mitigating factors:

- The ability to originate a high volume of loans to low- and moderate-income applicants is compounded by the fact that over the past several years housing values have been escalating rapidly. The lack of affordability makes it difficult for a low- and/or moderate-income applicant to qualify for a mortgage.
- A review of 1990 U.S. census data revealed that approximately 40 percent of the family households are low- or moderate-income. Further, approximately 7 percent of the low-income families in the assessment area are below the poverty level. Looking at 2000 U.S. census data, the total percentage of low and moderate-income households and the percentage of families below the poverty level remained relatively constant at 41 percent and 7 percent, respectively. A low and/or moderate-income applicant may find it extremely difficult to qualify for a conventional mortgage, especially given the appreciating cost of housing discussed previously. This demographic data lends support to the claim that it is difficult to originate a high number of loans to the area's low and/or moderate-income population.

Given the above demographic information (housing prices and percentage of families below the poverty level) and the high level of competition (discussed previously), the Bank's record of originating HMDA loans to the area's low and moderate-income applicants is considered adequate.

COMMUNITY DEVELOPMENT LENDING

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

A community development loan is a loan that:

- 1) Has as its primary purpose community development; and
- 2) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family dwelling loan; and
- 3) Benefits the bank's assessment area or a broader statewide or regional area that includes the bank's assessment area.

Based on the Bank's lending capacity and opportunities available within the assessment area, Century Bank and Trust Company has made a good level of community development loans.

Since the last Division and FDIC CRA evaluation on June 10, 2002, Century Bank and Trust Company has significantly increased the dollar amount of community development loans. During this evaluation period, Century Bank and Trust Company originated or increased the existing loan amount on 12 community development loans, totaling approximately \$28 million. In comparison, during the last evaluation period, 7 loans were originated totaling only \$7 million. This increase is considered significant and reflects favorably on the Bank's commitment to its assessment area. Please note that Tables 1 and 1a (Appendix E) reflect the 2002 and 2003 community development lending ("CDL") activity, respectively. The year to date 2004 activity contains 5 loans, totaling \$7.5 million.

The following list contains a sample of the various community development loans originated during the current evaluation period.

Non-Profit Organization in Roxbury, MA

The organization operates a myriad of social and health service programs, including mental and physical healthcare services, substance abuse programs, child and family development programs, and career development initiatives. The majority of the organization recipients are low- or moderate-income. In 2002, the Bank originated a \$1.2 million working capital line of credit, and increased this line by an additional \$300,000 in 2004. In addition, in 2002, Century Bank and Trust Company granted the organization a \$4 million term loan. The purpose of the loan was to refinance existing debt and to provide additional proceeds for the renovation of the organization's Youth and Family building.

Non-Profit Housing Authority in Somerville, MA

The organization was created to provide safe and decent housing to low- and moderate-income families and elderly individuals in the City of Somerville. The authority administers the numerous programs, including: Low Rent Federal Program, Section 8 Programs, State Rental Voucher Program, and State Consolidated Housing. In 2003 and 2004, the Bank granted two loans, totaling \$1.3 million and \$7 million, respectively for the purpose of providing bridge financing to the organization while the housing authority rehabilitates its apartments.

Non-Profit Religious Organization in Dorchester, MA

The organization is a non-denominational church located in the inner city of Boston, MA. The organization provides numerous social economic and cultural events and programs to both its constituents and the local community. Given its current location, many of the organization's constituents and program recipients are low- or moderate-income. The organization approached the Bank in 2002 for the purpose of acquiring commercial real estate on Blue Hills Avenue in Roxbury, MA. The intent of the acquisition was to develop and construct a retail building, with the hope of revitalizing and stabilizing the area. Based on demographic information, the property is located in a low-income census tract. In total, Century Bank and Trust Company granted the organizations two loans. The first, \$5.9 million was used for the refinance of existing debt and for the

acquisition of the proposed commercial real estate. The second loan was for \$500,000, and will be used to develop the existing site.

Non-Profit Organization in Boston, MA

This non-profit organization strives to improve the quality of life for children, individuals, families and communities in the cities and towns of greater Boston. The organization offers numerous community based programs through its 16 locations and 3 resident camps. Many of the organization's members and program recipients are low- or moderate-income. In 2003, the Bank granted the organization a \$2.5 million line of credit to support the organization's general working capital needs.

INNOVATIVE OR FLEXIBLE LENDING PRACTICES

An institution's innovative and flexible lending practices are evaluated pursuant to the degree to which the loans serve creditworthy borrowers in new ways or groups of creditworthy borrowers not previously served by the institution. Also, the success of each product, including the number and dollar volume of loans originated is also considered. Given the size and financial condition of the Bank, the level of innovative and flexible lending practices is good.

The Bank continues to offer numerous innovative and flexible lending programs. During the previous evaluation the Bank introduced two new flexible lending tools, the Federal Home Loan Bank (FHLB) Community Development Advance (CDA) and the City of Everett First Time and Second Time Home Buyer Program. During this current evaluation, the Bank has introduced one new program, Small Business Administration (SBA) Express, and modified two existing programs: (1) the in-house FTHB program, and (2) a streamlined small business program for requests of \$50,000 or less. The following is a summary of the various programs.

Commercial Lending Programs

Century Bank and Trust Company offers several commercial products to help meet the credit needs of small businesses within its community. Many of these programs offer flexible lending criteria providing more readily available access to financing for many small business borrowers. A summary of the programs offered by the Bank is detailed below.

Small Business Administration (SBA)

Century Bank and Trust Company has continued to be a participating SBA lender. The following is a description of SBA programs the Bank offers.

- The *LowDoc program* is 90 percent guaranteed by the SBA, which focuses on the character, credit, and business experience of the applicant, rather than availability of collateral. In addition, documentation requirements are minimal. In 2002, the Bank originated one loan totaling \$70,000. No loans were originated in 2003 or year to date 2004.

- The *7a program* provides start-up costs to small businesses. The Bank funds the entire loan, with SBA guaranteeing between 75 percent and 90 percent, depending on the use of the loan proceeds. In 2002, 2003, and year to date 2004, the Bank originated 3 loans, one loan, and one loan, respectively, totaling \$1.3 million, \$300,000, and \$300,000
- The *504 program* is predominantly used for the construction of new businesses. Under this program, the Bank provides 50 percent of the funding, while SBA provides 40 percent. The borrower is required to contribute 10 percent in the initial construction phase. The Bank has no originated any loans in this program during the current evaluation period.
- The *SBA Express program* allows qualified applicants to submit an application and receive communication regarding their eligibility from the SBA Agency within 24 hours. In 2004, the Bank has originated 3 loans, totaling \$170,000.

Century Bank – Small Business Group

In 2004, Bank management introduced a streamlined approach to originating small business loans. The program allows for expedited underwriting for requests of \$50,000 or less. While credit reports are still obtained for the principals of the respective businesses, the applicants are only required to complete a small business loan application, versus a business loan application. Further, Century Bank and Trust Company does not request or verify income. The decision to originate is heavily influenced by the contents of the credit reports. This program allows the Bank to provide its customers with a much faster credit decision. As of June 30, 2004, Century Bank and Trust Company has originated approximately 135 loans, totaling \$5.6 million.

Residential Lending Programs

Century Bank and Trust Company offers several residential mortgage loan products, including both fixed- and adjustable- rate mortgages with various terms and rate adjustment periods. While the Bank specializes in adjustable-rate mortgages, the Bank does offer some fixed-rate programs. Please note that the 30 year fixed rate mortgage loans are all sold to the FHLB, with servicing retained. In 2003, Century Bank and Trust Company originated two 30 year fixed-rate mortgages, totaling \$270,000.

In addition to its in-house mortgage loan products, the Bank offers some local government loan programs and other in-house products that are geared toward low- and moderate- income borrowers. These products offer low downpayment options, reduced interest rates and closing costs, and repayment concessions, which may assist in enabling a low- or moderate-income borrower in qualifying for a loan. A summary of the innovative and flexible residential mortgage programs offered by Century Bank and Trust Company is detailed below.

In-House FTHB Program

The Bank's FTHB program provides potential first time buyers, who are purchasing one-to-three family dwellings, with homeownership opportunities. In 2002 and 2003, the program featured an adjustable rate product at below market rates, reduced closing costs, higher debt-to-income qualifying ratios (33 percent and 40 percent), and a downpayment requirement as little as 5 percent, with private mortgage insurance. Income and loan limitations are based on the number of dependents and the number of units, respectively. In 2002 and 2003, the Bank originated 7 and 14 loans, respectively, totaling \$1.5 million and \$3 million. In 2004, Bank management sought to dramatically increase the volume of lending within this program. Management acknowledged that interest rates play an integral role in a potential applicant's decision to apply, but believed that equally as important is how much it costs the applicant to obtain the loan. As a result, the Bank continued to offer an adjustable rate product, with competitive rates, but eliminated the closing costs to the applicant. The result was a dramatic increase in loans. To date (2004), Century Bank and Trust Company has originated 34 loans, totaling \$8.2 million.

Malden Redevelopment Authority's (MRA) FTHB Program

In conjunction with the City of Malden, the Bank participates in the First and Second Time Homebuyer Program. This program offers an adjustable rate product to first and second time homebuyers, as well as City of Malden employees, purchasing a one-to-three family home in Malden. The program contains certain income restrictions and has a maximum sales price depending on the total number of units. Other features include below market rates, reduced closing costs, no points, flexible underwriting, and low down payment requirements with private mortgage insurance. The Bank, along with the other financial institutions that participate in this program, originate the loan requests on a rotational basis. In 2002 and 2003, the Bank originated 6 and 1 loans, respectively, totaling \$1.4 million and \$296,000. Please note that there has been no activity during 2004. Bank management believes the lack of activity is a direct result of the program features of the Bank's revised in-house program.

City of Everett FTHB Program

The Bank became involved with this program at its inception by the City of Everett in June 2001. Century Bank and Trust Company, along with other participating financial institutions, lends money to eligible first time home buyers in Everett. Applications are referred on a rotating basis to each of the five participating institutions. The program's features were modeled on MRA's First Time and Second Time Home Buyer Program discussed above; all of the features of that program apply to this program with the exception that the property must be located in Everett and is available to City of Everett employees. In 2002 the Bank originated 1 loan, totaling \$167,000. There has been no activity in 2003 or 2004. Again, Bank management believes that the features of their own in-house FTHB program have contributed to the lack of activity.

Fair Lending Policies and Practices

Century Bank and Trust Company's fair lending information was reviewed to determine compliance to the guidelines established by Regulatory Bulletin 2.3-101, the Division's Community Reinvestment and Fair Lending Policy.

The Bank maintains a fair lending policy aimed at preventing discrimination. The Bank provides employees with training on the Equal Credit Opportunity Act. Century Bank and Trust Company's marketing efforts are conducted primarily through local radio, cable, and newspaper advertisements that reach the entire assessment area. In addition, employees of the Bank are actively involved in the community which helps them to determine the credit needs of the assessment area.

The Bank offers different types of flexible products that are effective in providing credit to those whose would not qualify under conventional lending standards. Please refer to "Innovative or Flexible Lending Practices" under the lending test for a list of flexible products. Additionally, the Bank has participated in several educational seminars that are detailed in the service test section of this report

Century Bank and Trust Company has a second review system in place for all declined loan applications. The Bank has internal control procedures to monitor and ensure the validity of the HMDA data that is collected and reported.

The Bank refers all loan customers whose home loan is delinquent to the appropriate credit counseling services available in the area. The Bank has a staff of 420 employees of whom 71 are minorities. In addition, the Bank employs numerous individuals who speak different foreign languages to assist customers with their banking transactions.

Minority Application Flow

The loan application registers for 2002, 2003, and year to date July 31, 2004 were reviewed to determine if the application flow from the different racial groups within the Bank's assessment area was reflective of the area's demographics. Of the total HMDA reportable applications received from within the Bank's assessment area, 77.2 percent were from white applicants, 10.1 percent were from minority applicants, and the remaining 12.7 percent were designated as N/A. Of the total applications received from minority applicants, 62.0 percent were originated.

Century Bank and Trust Company's minority application flow in 2002 was also compared to all other HMDA-reportable lenders accepting applications from within the Bank's assessment area. As indicated in the following table, the Bank's minority application flow was slightly different compared to that of the aggregate. Aggregate data indicates that 3.5 percent of total applications were received from Asian applicants in comparison to only 1.4 percent received by the Bank. However, it was noted that only 2.9 percent of the aggregate's applications were received from Black applicants while Century Bank and Trust Company received 4.8 percent from the same group. Refer to the following table.

MINORITY APPLICATION FLOW										
Race	Aggregate Data 2002*		Bank 2002		Bank 2003		Bank 2004**		Bank Total	
	#	%	#	%	#	%	#	%	#	%
<i>Native American</i>	637	0.3	0	0.0	3	1.9	0	0.0	3	0.7
<i>Asian</i>	8,150	3.5	2	1.4	2	1.3	8	7.0	12	2.9
<i>Black</i>	6,662	2.9	7	4.8	6	3.9	3	2.6	16	3.8
<i>Hispanic</i>	6,266	2.7	3	2.0	2	1.3	4	3.5	9	2.2
<i>Other</i>	3,066	1.3	0	0.0	1	0.6	1	0.9	2	0.5
Total Minority	24,781	10.7	12	8.2	14	9.0	16	14.0	42	10.1
<i>White</i>	132,323	57.0	119	81.5	121	77.5	81	71.1	321	77.2
<i>No Info</i>	75,192	32.3	15	10.3	21	13.5	17	14.9	53	12.7
Total	232,296	100.0	146	100.0	156	100.0	114	100.0	416	100.0

*Source: PCI Services, Inc., CRA Wiz Software. **year to date July 31, 2004

A review of the Bank's public comment file revealed that the Bank received no complaints pertaining to the institution's CRA performance since the previous examination. To ensure that equal treatment of all applicants is being practiced, a sample review of mortgage applications was performed during this examination. No evidence of discriminatory or other illegal credit practices was noted.

Loss of Affordable Housing

The Bank's lending programs, which include community development and flexible underwriting, has assisted low- and moderate-income individuals to remain in their neighborhoods.

INVESTMENT TEST

The Investment Test evaluates the Bank's record of helping to meet credit needs through qualified investments that benefit the assessment area or a broader statewide or regional area that includes the bank's assessment area. A qualified investment is defined as a lawful investment, deposit, membership share, or grant that has as its primary purpose community development. Community development purposes include:

- providing affordable housing for low- or moderate-income individuals or areas
- providing community services targeting low- or moderate-income individuals or areas
- promoting economic development by financing small businesses
- revitalizing or stabilizing low- or moderate-income geographies.

Investment performance is evaluated based on the level, innovativeness or complexity, and degree of responsiveness to community needs. Given the size and financial condition of the Bank, the level of investments is considered adequate.

Since the previous evaluation, Century Bank and Trust Company made approximately \$169,395 in qualified grant investments and \$246,445 in new qualified equity investments that benefited the Bank's assessment area or a broader statewide or regional area that included the Bank's assessment area. In addition, the Bank maintains \$1,578,000 in existing qualified equity investments. Total qualified investments, including equity investments, grants, and other qualified investments detailed below, represented approximately 1.9 percent of Tier 1 capital of approximately \$106 million reported as of June 30, 2004.

Qualified Equity Investments

Qualified equity investments represented only .21 percent of total securities (\$887 million) as of June 30, 2004. The following summarizes these investments.

FNMA Mortgage-Backed Security (MBS)

FNMA offers CRA-targeted securities that are often tailored to meet the community development needs of a financial institution. These securities are backed by residential mortgages, in which a substantial majority, are either located in low- or moderate-income tracts, or were originated to low or moderate-income borrowers.

In May 2002, the Bank purchased a FNMA MBS, totaling \$246,445. A review of the underlying mortgages revealed that each of the respective borrowers were either low- or moderate-income. Further, several of the properties were located in the Bank's assessment area. As this security was not captured in the previous CRA evaluation, the entire purchase price will receive consideration in the current examination. However, it is noted that as of September 30, 2004, the MBS had a book value of \$53,935.

Access Capital Strategies Community Investment Fund, Inc.

The Bank continues to hold an original investment of \$1 million in the Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). The ACSCIF is a SEC-registered fund structured as a business development company. The primary purpose of the fund is to provide a secondary market and financing vehicle for community development loan originators. The fund invests in private placement debt securities specifically designated to support underlying community development activities targeted to serve low- and moderate-income individuals such as affordable housing, education, small business lending and other job creating investments within a target region specified by the investing institution. The Bank's designated target region for the investment is the Commonwealth of Massachusetts. The underlying securities for this investment are FNMA-backed, first time homebuyer loans originated by a large regional bank headquartered in Boston. Collectively, these loans primarily promote community development activities. In September 2000, the Bank invested an additional \$500,000, bringing their total investment to date to \$1,500,000. Please note that although the Bank has not invested any additional funds during the current evaluation period, the current book value remains at \$1,500,000.

Massachusetts Business Development Corporation's MassBusiness Capital Fund II

On June 25, 2001, Century Bank and Trust Company committed \$500,000 to the MassBusiness Capital Fund II (the "Fund"). The objective of the Fund is to provide a long-term capital delivery mechanism to established small businesses, generally those with \$10,000,000 or less in annual sales, in need of capital growth. In addition, the Fund seeks to concurrently stimulate economic growth and promote job creation and retention in the Commonwealth. The Fund makes investments, primarily in established companies, in the form of mezzanine instruments in the \$250,000 to \$750,000 range. The total investment in any one company will generally not exceed \$1,000,000. The Fund is administered by the Massachusetts Business Development Corporation ("MBDC"), a quasi-public corporation established with the purpose of providing financing opportunities to small businesses, to mature industries, to firms in distressed geographic areas, or which promote job creation or retention throughout Massachusetts. The Fund is structured as a Limited Partnership, with MBDC as the General Partner investing \$1,000,000. The Fund offered, in a private placement, \$12,000,000 of private limited partnership interests to investors. There are thirteen Limited Partners, consisting of individual and institutional investors, each committing investments ranging between \$200,000 and \$1,000,000. Each member bank's capital contribution to the fund is payable in three calls equal to 33.3 percent of the subscribed capital amount. To date, Century Bank and Trust Company has funded approximately 19 percent of the \$500,000 commitment in one installment of \$93,000 made on July 9, 2001. The Fund will terminate ten years after the expiration date of its formation. As of September 30, 2004, the security had a book value of \$78,000.

Qualified Grant Investments

From January 2002 through September 28, 2004, Century Bank and Trust Company contributed \$169,395 to qualified organizations and programs. In 2002 and 2003 the amount of the qualified donations, \$79,700 and \$69,145 represented .34 percent and .30 percent of pre-tax net operating income, respectively.

The following highlights some of the more significant qualified grants provided by Century Bank and Trust Company:

Catholic Charities

Catholic Charities is one of the largest social service providers in the Commonwealth of Massachusetts. The organization assists thousands of people annually by offering access to more than 150 social programs, throughout the State. Programs range from adoption services, child care, welfare to work training, single fathers support and education, elder services, adult basic education, adult day health care, detoxification and addictions treatment center, emergency assistance, food pantries, home health services, homeless shelters, housing programs, job training and placement, residential treatment facilities, and many other social programs. According to the Catholic Charities, the vast majority their clients are in the low- and moderate-income categories, as defined by HUD. Further, the organization has indicated that .84 cents of every dollar received is directed to social service programs.

Inner-City Scholarship Fund

This scholarship fund is administered by the Catholic Charities. The funds permit inner city children from Boston to receive scholarship assistance for attending inner city Catholic schools. The funds provide partial scholarships primarily to low- and moderate-income students and/or students living in low- and moderate-income areas.

In addition to the Inner-City Scholarship Fund, the Bank has actively supported scholarship programs in Somerville and Burlington. The scholarship recipients are generally low- or moderate-income.

Dimock Community Foundation

This non-profit organization operates a myriad of social and health service programs, including mental and physical healthcare services, substance abuse programs, child and family development programs, and career development initiatives. The majority of the organization recipients are low- or moderate-income.

The YMCA of Greater Boston

YMCA is a non-profit organization that strives to improve the quality of life for children, individuals, families and communities in the cities and towns of greater Boston. The organization offers numerous community based programs through its 16 locations and 3 resident camps. Many of the organization's members and program recipients are low- or moderate-income.

Other Programs

In addition to the specific organizations, noted above, Century Bank and Trust Company is also an active contributor to organizations that support and/or administer affordable housing or assist the area's homeless population. The following are some of the organizations that have received assistance.

- Beverly Affordable Housing
- Lynn Housing Authority
- Somerville Housing Authority
- Cambridge Housing Assistance Fund
- Shelter, Inc.
- Friends of Boston's Homeless
- National Center on Family Homelessness

As noted above the overall level of qualified investments (both equity investments and donations) is deemed to be adequate. Currently, given the size of the institution, the degree of innovativeness and level of complexity displayed by the Bank is only adequate. With the exception of the FNMA MBS, there have been no additional equity investments since the previous evaluation. Further, the level of qualified donations has remained relatively constant.

SERVICE TEST

The Service Test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of an institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The following describes the institution's services.

Century Bank and Trust Company is doing an adequate job of meeting the service needs of its assessment area. The Bank's branch network and retail delivery systems are accessible to all portions of the assessment area; and its services are convenient and effective. However, the products offered and services provided are commensurate with those offered by other local or similarly sized competitors. In addition, through the participation of Bank employees and management, the Bank is involved in a few select community development organizations throughout the assessment area. The following summarizes Century Bank and Trust Company's involvement in both the retail and service tests.

Retail Banking Services

The effectiveness of an institution's system for delivering retail banking services is evaluated pursuant to the following criteria:

- 1) the distribution of the institution's branches among geographies of different income levels;
- 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals;
- 3) the availability and effectiveness of alternate systems for delivering retail banking services; and,
- 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

Accessibility of Branches

Century Bank and Trust Company operates 22 full service branch locations throughout its assessment area. No branches were closed since the previous evaluation; however, the Bank did open four additional locations. The branch openings strengthened the institution's overall presence in low- and moderate-income tracts, as two of the four branches are located in low-income tracts (710 Albany Street and 24 Federal Street, Boston, MA), and a third location is in a moderate-income area (771 Commonwealth Avenue, Boston, MA). A review of the entire branch network revealed that of the 22 locations, 3 are located in low-, 9 are in moderate-, 6 are in middle-, and 4 are in upper-income census tracts.

Business Hours and Facilities

The Bank's hours of operation are convenient and comparable to other local area institutions. All branch lobbies open at 8:30am and offer extended hours at least one day per week, and 17 branches have Saturday hours. In addition, 13 of the 22 locations also offer drive-up banking hours that complement the lobby hours.

Alternative Delivery Channels

In addition to branch banking, Century Bank and Trust Company offers the following alternative delivery systems, which enhance both commercial and retail customer accessibility to services, regardless of their location.

- ***Automated Teller Machines***

The Bank maintains an Automated Teller Machine (ATM) at each of its 22 branch locations. This is an improvement since the previous CRA evaluation when the Bank maintained 14 locations. In addition to standard ATMs, the Bank also maintains free standing cash dispensers at nine additional locations (all within the assessment area). Again, this is an increase since the previous evaluation when the Bank only had two cash dispensers.

The Bank also participates in the SUM Program. The program is a surcharge-free alliance of over 2200 Massachusetts ATMs. The SUM Program is designed to provide consumers with surcharge-free banking alternatives throughout a broad geographic area of the Commonwealth of Massachusetts.

The Bank is also a member of the NYCE Shared Deposit Program. This program allows Bank customers to conduct deposit transactions at more than 250 ATM locations. ATMs within the NYCE network will accept a Century Bank and Trust Company deposit transaction.

- ***Debit Card***

The Bank offers both a MasterMoney ATM and Debit Card. The card allows customers to perform all of the same functions offered by an ATM card as well as make point-of-sale purchases that are directly withdrawn from the customer's checking account at participating merchant locations. The cards can be used to purchase goods and services at any merchant displaying the MasterCard logo.

- ***Direct Deposit***

The Bank offers direct deposit services. Customers can arrange to have their paycheck, social security, SSI, VA, and certain other recurring federal checks deposited directly into their checking or savings account.

- *Bank-By-Mail*

The option to bank-by-mail is provided to all customers to make deposits, transfers, withdrawals, and loan payments. The bank supplies pre-paid "bank-by-mail" envelopes. No fee is charged for this service.

- *Telephone Banking*

AccountLine, the bank's 24-hour automated telephone line, provides automated account information. Through this system, customers can obtain account and loan balances, transfer funds between accounts, make telephone withdrawals, receive current rate information, request a stop payment order, and obtain branch locations and business hours.

In addition to the automated AccountLine, the Bank offers customers the opportunity to speak with a customer service representative that will provide personalized sales and services. This service is available during general banking hours.

- *Internet Web Site*

The Bank's website www.century-bank.com provides general information about the Bank including an overview of retail and commercial deposit and lending products offered, branch locations and hours, online banking services offered, loan and deposit rate information, as well as information about available investment and insurance products.

- *Online Banking Capabilities*

Century Bank and Trust Company offers online banking options to help customers manage their banking 24 hours a day, 7 days a week. The following is a brief summary of the online banking products available:

Internet Business Banking provides companies with an alternative way to conduct their day-to-day business. Businesses have 24 hour access to all accounts and can view and retrieve statements, schedule transfers or payments between accounts, view and print account history, make loan payments, place stop payments, and download account history. Also, business customers can originate ACHs to automate collections and billing, make vendor payments, collect membership dues and association fees, pay federal taxes, offer direct deposit of payroll, and consolidate funds from remote locations or disburse funds to multiple locations. Last, businesses can execute outgoing business wire transfers.

Personal Internet Banking offers the same features as the Internet Business Banking product, except that it does not provide consumers with ACH and wire transfer capabilities. Also, online Deluxe check reordering is available to consumers.

Through the Internet Banking products, customers and businesses can use the *eXpress Pay* online bill payment service. This allows customers to view account balances and

transactions; transfer funds; make electronic bill payments; view pending bill payments; set up recurring, fixed amount bill payments; change or cancel pending bill payments; and view an online statement.

Business Products

In a continuing effort to assist its commercial customers, especially small- and medium-sized businesses, the Bank offers several deposit options as well as services, including: Business ATM cards, ACH services, and Electronic Banking services.

Consumer Products

In addition to the various delivery channels noted above, Century Bank and Trust Company also offers several retail products that benefit people of all income levels. The following products and programs are highlighted under the bank's Basic Banking initiatives: Free Checking, 18/65 Checking, 18/65 NOW Checking, Bank At Work Checking, Free Passbook Savings, Free Statement Savings, Free Statement Club, and 18/65 Savings.

Community Development Services

The institution's community development services are evaluated pursuant to the following criteria:

- 1) the extent of community development services offered and used;
- 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served;
- 3) the degree to which they serve low- and moderate-income areas or individuals; and
- 4) their responsiveness to available opportunities for community development services.

The following is a summary of community development organizations that Bank management and employees are active in and the Bank supports and advocates.

Financial Literacy Initiatives

Regarding financial education, Century Bank and Trust Company has offered, sponsored, or participated in a few different seminars or financial literacy workshops during the evaluation period. Detailed below are the initiatives the Bank has been involved in.

- *First Time Home Buyer Sessions*

Since the previous evaluation, the Bank has participated in nine FTHB seminars. Representatives from the Bank's consumer loan department attend each session and answered questions and accepted applications from attendees. In 2002 and 2003, the Bank participated in four and five sessions, respectively. The seminars were held in Burlington, Everett, Lynn, Cambridge, Braintree, and Medford.

- *Money Smart*

The program is an adult education program developed by the FDIC to allow financial institutions the opportunity to provide outreach and financial literacy to adults outside of the financial mainstream. To date, the Bank has participated in two sessions; however, there is an expectation that the number of sessions will increase through the remainder of 2004 and into the beginning of 2005.

Other Services

In addition to the above financial education services, the Bank has also participated in the following community development services.

- *Interest on Lawyers Trust Account ("IOLTA")*

Under an agreement with the Massachusetts Bar Association, interest paid on these accounts is used to provide legal assistance to indigent, low- and moderate-income people in need of legal services. IOLTA funded programs of Massachusetts provide legal assistance to over 100,000 individuals across the state. IOLTA continues to be the primary source for consumer, family, education, disability, and elder law services for low-income clients. Century Bank and Trust Company was designated an "Honor Roll Bank" by the Massachusetts IOLTA Committee.

- *Loan Servicing*

The Bank is currently servicing loans for two community development organizations, Lynn Economic Development Industrial Corporation (EDIC) and Lynn Community Development. In 2002, 2003, and year to date 2004, the Bank has serviced or is currently servicing approximately \$4.6 million in loans. The Bank does not charge either organization for this service.

- *Contribution of Financial Expertise to Community Organizations*

Through the participation of select employees and members of bank management, the Bank's has been involved in a few different community development organizations throughout the assessment area. The following is a summary of the organizations that met the definition of community development, and that management and staff are actively involved with:

Elizabeth Peabody House

The organization is located in Somerville and provides a wide range of family and social services, ranging from infant and pre-school programs to elder services. While the services provided by the organization are not exclusive to low- and moderate-income individuals, many of the program recipients are low and moderate income. A member of Bank management is actively involved with this organization.

Massachusetts Business Development Corporation ("MBDC")

The mission of this organization is to provide loans and investment capital to growing companies in Massachusetts. MBDC is a privately held company in which Massachusetts financial institutions pool their money and share the risks of helping promising companies expand. The pooled money is used to provide financial assistance in the form of loans, mezzanine and equity investments, guarantees and financial services to businesses of every type and description. A member of senior management serves on the board of the MBDC.

YMCA of Greater Boston

YMCA is a non-profit organization that strives to improve the quality of life for children, individuals, families, and communities in the cities and towns of greater Boston. The organization offers numerous community based programs through its 16 locations and 3 resident camps. Many of the organization's members and program recipients are low- or moderate-income. A member of senior management serves on the Board of this organization. This individual is also very active in fundraising initiatives for the YMCA.

Visiting Nurse Association (VNA) of Eastern Massachusetts

The VNA of Eastern Massachusetts' mission is to promote the health and well being of those families most in need with the least resources by providing needed health and social services, education and prevention, and affordable and safe housing alternatives. By providing their services, the VNA hopes to empower families and communities to achieve the maximum level of independence in meeting their own individual and collective needs. Services are available to all individuals, regardless of their ability to pay, including low- and moderate-income individuals. A member of management serves on the Board and serves as Treasurer of this organization.

Catholic Charities

Catholic Charities is one of the largest social service providers in the Commonwealth of Massachusetts. The organization assists thousands of people annually by offering access to more than 150 social service programs. Programs range from adoption services, child care, welfare to work training, single fathers support and education, elder services, adult basic education, adult day health care, detoxification and addictions treatment center, emergency assistance, food pantries, home health services, homeless shelters, housing programs, job training and placement, residential treatment facilities, and many other social programs. According to the Catholic Charities, the vast majority their clients are low- or moderate-income. A member of senior management serves on the Board of Directors.

Conclusion - Service Test

As depicted above, Century Bank and Trust Company's systems for delivering retail banking services are reasonably accessible to geographies and individuals of different income levels within its assessment area. The Bank's record of opening and closing branches has not shown an adverse affect on the accessibility of its delivery systems, particularly low- and moderate-income geographies and low- and moderate-income borrowers. The Bank's officers and employees have provided an adequate level of service activities and involvement in community organizations primarily for community development purposes and related to the provision of financial services. A number of the organizations that Bank management and employees have taken a leadership role in promote economic development or target the revitalization of business communities. In addition, Bank management and staff have sponsored and participated in educational seminars. Based upon this review Century Bank and Trust Company's service activities receive a rating of "Satisfactory."

COMPLIANCE WITH ANTI-DISCRIMINATION LAWS

No substantive violations of the anti-discrimination laws were identified.

APPENDIX A

SCOPE OF EXAMINATION:

Century Bank and Trust Company	
SCOPE OF EXAMINATION: Large Bank CRA evaluation: Lending, Investment, and Service tests.	
TIME PERIOD REVIEWED: Loans: 2002, 2003, and YTD 2004 (January 1, 2004 to June 30, 2004). Investments and Services: 2002, 2003, and YTD 2004 (January 1, 2004 to September 28, 2004).	
PRODUCTS REVIEWED: HMDA and Small Business loans.	

LIST OF AFFILIATES AND PRODUCTS REVIEWED		
AFFILIATE(S):	AFFILIATE RELATIONSHIP:	PRODUCTS REVIEWED:
Century Financial Services	NA	NA
Century Insurance Services	NA	NA

* There are no CRA-related affiliates.

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA:	TYPE OF EXAMINATION:	BRANCHES VISITED:	OTHER INFORMATION:
See Description of Assessment Area	CRA	400 Mystic Avenue Medford, MA	NA

APPENDIX B - GENERAL DEFINITIONS

GEOGRAPHY TERMS

Block: Small areas bounded on all sides by visible features such as streets, roads, streams or rail road tracks, and invisible features like city or town boundaries or property lines. Blocks are subdivisions of census tracts or block numbering areas (BNA), and are assigned a unique three-digit number.

Block Group: Clusters of blocks within a census tract or BNA, having a four-digit number and a three-digit suffix. The four-digit number corresponds to the same number given to the census tract or BNA in which it is located.

Block Numbering Areas (BNAs): Statistical subdivisions of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. BNAs do not cross county lines.

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

Rural Area: Territories, populations and housing units that are not classified as urban.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to

directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX C – INVESTMENT DEFINITIONS

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community

development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX D - STANDARD PE LANGUAGE

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community Development Lending:

Performance Criteria

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices:

Performance Criteria

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

APPENDIX E – FFIEC CORE TABLES

Institution ID: 30000019943

CENTURY BANK AND TRUST CO.

Table 1. Lending Volume

LENDING VOLUME													Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002			
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***								
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)									
Full Review:																				
CenturyAA2002	100.00	116	32,633	126	23,996	0	0	4	11,600	246	68,229	0.00								

Table 1a. Lending Volume

LENDING VOLUME													Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***								
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)									
Full Review:																				
Century AA 2003	100.00	130	33,560	148	29,010	0	0	3	8,892	281	71,495	0.00								

* Loan Data as of December 31, 2002. and December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans (CDLs) is From January 01, 2002 to December 31, 2003. Please refer to the Lending Test (CDLs) for additional information about YTD 2004

*** Deposit Data as of December 31, 2002 and December 31, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	30	100.00	1.36	0.00	14.90	16.67	57.61	66.67	26.14	16.67	3.64	20.85	51.20	24.31

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	28	100.00	3.00	7.14	15.19	35.71	50.16	42.86	31.65	14.29	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: US and PR. Peer data is not available for 2003.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information (2002) and 2000 Census information (2003).

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	70	100.00	1.36	0.00	14.90	25.71	57.61	52.86	26.14	21.43	1.79	14.39	54.06	29.76

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	96	100.00	3.00	2.08	15.19	29.17	50.16	46.88	31.65	21.88	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: US and PR. Peer data is not available for 2003.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information (2002) and 2000 Census information (2003).

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	16	100.00	11.82	6.25	29.18	50.00	41.18	37.50	17.82	6.25	8.47	39.79	39.49	12.25

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	6	100.00	14.23	0.00	26.94	16.67	37.15	50.00	21.69	33.33	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: US and PR. Peer data is not available for 2003.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information (2002) and 2000 Census information (2003).

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	126	100.00	9.25	5.56	17.34	27.78	44.97	52.38	28.43	14.29	5.18	14.01	50.40	30.41

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	148	100.00	10.37	10.14	16.40	20.95	41.32	42.57	31.91	26.35	0.00	0.00	0.00	0.00

* Based on 2002 Peer Small Business Data: US and PR. Peer data is not available for 2003.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2002 and 2003)

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	30	100.00	21.05	6.67	18.56	16.67	23.93	36.67	36.46	40.00	3.96	17.49	29.53	49.02

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	28	100.00	23.07	7.41	17.98	18.52	21.36	29.63	37.59	44.44	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: US and PR. Peer data is not available for 2003.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information (2002) and 2000 Census information (2003).

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: CENTURY BANK 2002				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
CenturyAA2002	70	100.00	21.05	4.29	18.56	17.14	23.93	28.57	36.46	50.00	4.94	18.62	29.37	47.06

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE				Geography: CENTURY BANK 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Century AA 2003	96	100.00	23.07	6.32	17.98	17.89	21.36	26.32	37.59	49.47	0.00	0.00	0.00	0.00

* Based on 2002 Peer Mortgage Data: US and PR. Peer data is not available for 2003.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 Census information (2002) and 2000 Census information (2003).

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: CENTURY BANK 2002			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
CenturyAA2002	126	100.00	59.50	64.29	57.14	17.46	25.40	48,441	13,072

Table11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: CENTURY BANK 2003			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Century AA 2003	148	100.00	62.30	54.05	54.05	20.27	25.68	0	0

* Based on 2002 Peer Small Business Data: US and PR. Peer data is not available for 2003.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2002 and 2003).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

Institution ID: 30000019943 CENTURY BANK AND TRUST CO.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: CENTURY BANK			Evaluation Period: JANUARY 1, 2002 SEPTEMBER 28, 2004				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments***		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
CenturyAA2002	2	1,578	82	411	84	1,989	100.00	1	150

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

***Current Period Investments include donations/grants.

Institution ID: 30000019943 CENTURY BANK AND TRUST CO.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: CENTURY BANK				Evaluation Period: JANUARY 1, 2002 TO SEPTEMBER 28, 2004							
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography					
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp		
Full Review:																			
CenturyAA2002	100.00	22	100.00	13.64	40.91	27.27	18.18	4	0	+2	+1	+1	0	5.28	23.70	50.93	20.05		

Institution ID: 30000019943 CENTURY BANK AND TRUST CO.

CenturyAA2002

Demographic Information for Full Scope Area: CenturyAA2002						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	412	8.25	26.70	44.90	18.93	1.21
Population by Geography	1,871,886	5.28	23.70	50.93	20.05	0.05
Owner-Occupied Housing by Geography	370,590	1.36	14.90	57.61	26.14	0.00
Business by Geography	121,982	9.25	17.34	44.97	28.43	0.01
Farms by Geography	1,237	2.51	12.13	57.07	28.29	0.00
Family Distribution by Income Level	445,892	21.05	18.56	23.93	36.46	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	176,615	8.34	32.86	48.46	10.34	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below Poverty Level		48,625 74,043 9.98%	Median Housing Value Unemployment Rate (1990 US Census)		201,562 3.64%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2002 HUD updated MFI

Century AA 2003

Demographic Information for Full Scope Area: Century AA 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	453	10.60	23.62	42.38	23.40	0.00
Population by Geography	2,111,653	8.88	23.34	43.49	24.29	0.00
Owner-Occupied Housing by Geography	438,488	3.00	15.19	50.16	31.65	0.00
Business by Geography	136,727	10.37	16.40	41.32	31.91	0.00
Farms by Geography	1,500	3.20	12.20	51.67	32.93	0.00
Family Distribution by Income Level	492,949	23.07	17.98	21.36	37.59	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	202,367	14.62	31.56	40.58	13.25	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		68,162 80,582 10.51%	Median Housing Value Unemployment Rate (1990 US Census)		249,949 2.45%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI